

# Existing Industry Program: The Backbone of Economic Development

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*The components of a strong existing industry program are noted. They include visitations, appreciation functions, and the provision of information.*

## INTRODUCTION

The evaluation of a community's economic development program and its director is often based on the number of new industries and/or businesses attracted to the community. Programs are defunded and/or the director is terminated due to the difficulty that exists in the attraction of new industry. While industry attraction is an important aspect of an economic development program's activities, it is not the main creator of new jobs that many people think it is and should not be the sole method of evaluating the community's efforts and the organization's staff.

Statistics show that between seventy and eighty percent of all new jobs are created by the industry that already exists in the community. Therefore seven or eight out of every ten new jobs are created by industries that many take for granted. "They are already here, so why worry about them," is the opinion of many people who do not realize the facts. Unfortunately many of these people are in positions to influence the status, budget and future of the community's economic development office.

A good economic development effort concentrates on all areas of development and gives special attention to the community's existing industry. A strong existing industry program is vital to a community's growth and development.

## THE PROGRAM

A good existing industry program can be called by many names and can take many forms. The important thing is to let your industries know that they are appreciated and to keep them informed. The following are a list of the components of a basic existing industry program:

### Visitations

One of the major components is an annual visit by the director, or members of a committee, to each of the local industries. This

can be called "Existing Industry Visitation Program," "Retention and Expansion Program," etc. The main objectives are to become known to the managerial staff of the industry, to let them know that you are interested in their success, and to let them know that you are available to assist them with problems that they may have.

It is recommended that a fact sheet or questionnaire be developed to document what is learned at each of the visits. The length of the questionnaire/fact sheet is not as important as the information collected. In fact, the shorter and more concise the instrument, the better. However, there are a few basic items of information that should be collected. These include the obvious such as name of the facility, address, product(s), phone and fax number, name of contact, and location of the corporate headquarters. Other information should include number of employees, problems with staffing (turnover, training, unmet skill need), adequacy of local facilities, expansion potential, problems that exist that have not been addressed, and their opinion of the local and state governments and the economic development organization as they relate to the operation of the company. The form should also allow for comments from the interviewee. These are often the most enlightening aspects of the interview. (See Figure 1).

### Appreciation Functions

The community should hold an annual appreciation function for its existing industry. The size and structure of the event is not as important as the event itself. Just let your industries know you appreciate them.

The function can be as formal as a catered dinner at the country club or as informal as a picnic. One of the best that I am aware of consists of a golf tournament during the day and a buffet style picnic in the evening with entertainment such as a band or DJ. Industry leaders in that community plan their schedules and vacations around the function to insure that they will be able to attend.

However, as stated earlier, the form of the event is not as important as the event. Design an appreciation function that fits your community best, but be sure to have one.

### Information Services

Provide your local, existing industries with any information that you can to assist them in their planning and decision making processes. Also do not wait until they ask for information. Provide it on a year round basis.

Some of the information that can be provided is as follows:

Publish a regular newsletter (usually quarterly) that provides the industries with pertinent information. This can include reports on the economic development organizations' meetings, general economic development information, business information, etc.

Periodically send general community information to the existing industries. A good example of this is a yearly update on the employment/unemployment statistics of the community. This information can be vital to an industry's planning and can put a community at the forefront of any expansion plans.

Provide the existing industries with any other information that may be relevant to them. An example is if there has been a change in the exit numbers on a highway.

Send any information specially requested by one industry to all of the industries if there is not a confidentiality issue. If one industry has a need for the information, it is logical to assume that the others could use it also.

The most important aspects of this component of an existing industry program are consistency and responsiveness. Once you start providing the information, continue to provide it on a regular basis. Also, if information is requested, make sure that it is provided as quickly as possible. If there will be a delay in obtaining the information, inform the industry of this situation.

### Other Activities

There are other activities that an economic development office can sponsor or assist in providing in order to aid their existing industry. These include the following:

A Plant Managers Association

A Quarterly Industry Dinner program, which enables managers of local industry to socialize with each other and community leaders and to hear a presentation of interest and importance to them.

A World Trade group to assist local industry in exporting their products.

A speakers bureau that provides information and discusses topics of interest to the industries.

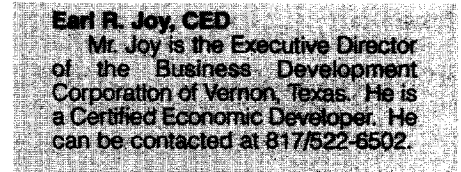
A Human Resource Managers Association.

**CONCLUSION**

While industry/business attraction gets

the headlines and is the glitzy, glamorous part of economic development and makes the politicians happy, the real backbone of the economic development effort is the existing industry program. Any economic development professional dedicated to their community (and his/her job) will have a

strong, dynamic existing industry program as a priority.



**FIGURE 1  
VERNON/WILBARGER COUNTY BUSINESS  
RETENTION & EXPANSION SURVEY**

Company Name: \_\_\_\_\_  
Date of Interview: \_\_\_\_\_  
Name of Interviewer: \_\_\_\_\_

Specify: \_\_\_\_\_

1. Name & title of person being interviewed: \_\_\_\_\_

2. Is (your company) a multi-plant company? \_\_\_\_ If yes, how many plants, and location of company headquarters?

a. No. of plants \_\_\_\_ Corporate HQ \_\_\_\_\_

b. Are the decisions affecting this location made locally or at corporate office? \_\_\_\_\_

3. What are your major products/services?

a. \_\_\_\_\_ c. \_\_\_\_\_  
b. \_\_\_\_\_ d. \_\_\_\_\_

4. How many employees?

5. Where do most of your employees live?

a. Vernon: \_\_\_\_\_  
b. Wilbarger Co.: \_\_\_\_\_  
c. Other: \_\_\_\_\_ Specify \_\_\_\_\_

6. From the following factors, which are likely to have a major impact on your profits in the near future? Rank from 5 (most impact) to 1 (least impact)

- \_\_ new products    \_\_ demographics    \_\_ consumer changes
- \_\_ competition    \_\_ raw materials    \_\_ transportation costs
- \_\_ wage rates    \_\_ energy costs    \_\_ new technology
- \_\_ financing    \_\_ taxes/govern-    \_\_ other (please
- availability    ment policies    specify)

**NOTES:**

\_\_\_\_\_

\_\_\_\_\_

7. Are there any raw materials, supplies or services that you must purchase outside of the county? Yes \_\_\_\_ No \_\_\_\_

8. What new technology (i.e., new machinery, new processes) do you anticipate applying to your business in the near future?  
\_\_\_\_\_  
\_\_\_\_\_

9. Do you have any specific problems with which the community may help? (i.e., police, water, roads, zoning)  
\_\_\_\_\_  
\_\_\_\_\_

10. Do you have any plans to expand or move?

Where? \_\_\_\_\_  
When? \_\_\_\_\_  
Why? \_\_\_\_\_

11. How would you rank Vernon/Wilbarger county with respect to the following location factors?

- |                    |               |                     |                    |
|--------------------|---------------|---------------------|--------------------|
| __ Education       | __ Recreation | <b>Excellent =5</b> |                    |
| __ Public Services | __ Utilities  |                     | <b>Good=4</b>      |
| __ Labor           | __ Taxes      |                     | <b>Fair=3</b>      |
| __ Land/Building   | __ Government |                     | <b>Poor=2</b>      |
| __ Highways/Road   |               |                     | <b>Very Poor=1</b> |

12. What do you recommend to improve Vernon/Wilbarger County?

a) \_\_\_\_\_  
b) \_\_\_\_\_  
c) \_\_\_\_\_

13. Is there anything you would like to add to this survey?  
\_\_\_\_\_  
\_\_\_\_\_